

§ 203.79

30 CFR Ch. II (7–1–98 Edition)

(1) Pay royalties on all oil production for the previous year at the lease stipulated royalty rate plus interest (under 30 U.S.C. 1721 and §218.54 of this chapter) by April 30 of the current calendar year, and

(2) Pay royalties on all your oil production in the current year.

(b) Suppose the arithmetic average of the daily closing NYMEX natural gas prices for the previous calendar year exceeds \$3.50 per million British thermal units (Btu), as adjusted in paragraph (f) of this section. In this case, we retract the royalty relief authorized in this section and you must:

(1) Pay royalties on all natural gas production for the previous year at the lease stipulated royalty rate plus interest (under 30 U.S.C. 1721 and §218.54 of this chapter) by April 30 of the current calendar year, and

(2) Pay royalties on all your natural gas production in the current year.

(c) Production under both paragraphs (a) and (b) of this section counts as part of the royalty-suspension volume.

(d) You are entitled to a refund or credit, with interest, of royalties paid on any production (that counts as part of the royalty-suspension volume):

(1) Of oil if the arithmetic average of the closing oil prices for the current calendar year is \$28.00 per barrel or less, as adjusted in paragraph (f) of this section, and

(2) Of gas if the arithmetic average of the closing natural gas prices for the current calendar year is \$3.50 per million Btu or less, as adjusted in paragraph (f) of this section.

(e) You must follow our regulations in part 230 of this chapter for receiving refunds or credits.

(f) We change the prices referred to in paragraphs (a), (b) and (d) of this section during each calendar year after 1994. These prices change by the per-

centage the implicit price deflator for the gross domestic product changed during the preceding calendar year.

§203.79 How do I appeal MMS's decisions related to Deep Water Royalty Relief?

(a) Once we have designated your lease as part of a field and notified you and other affected operators of the designation, you can request reconsideration by sending the MMS Director a letter within 15 days that also states your reasons. The MMS Director's response is the final agency action.

(b) Our decisions on your application for relief from paying royalty under §203.67 and the royalty-suspension volumes under §203.69 are final agency actions.

(c) If you cannot start construction by the deadline in §203.76(b) for reasons beyond your control (e.g., strike at the fabrication yard), you may request an extension up to 1 year by writing the MMS Director and stating your reasons. The MMS Director's response is the final agency action.

(d) We will notify you of all final agency actions by certified mail, return receipt requested. Final agency actions are not subject to appeal to the Interior Board of Land Appeals under 30 CFR part 290 and 43 CFR part 4. They are judicially reviewable under section 10(a) of the Administrative Procedure Act (5 U.S.C. 702) *only* if you file an action within 30 days of the date you receive our decision.

REQUIRED REPORTS

§203.81 What supplemental reports do royalty-relief applications require?

(a) You must send us the supplemental reports listed below that apply to your field. §§203.83 through 203.91 describe these reports in detail.

Required reports	End-of-life lease	Deep water expansion project	Pre-act deep water lease
Administrative information report	x	x	x
Net revenue & relief justification report	x	.....	.....
Economic viability & relief justification report (RSVP model inputs justified by other required reports) .....	.....	x	x
G&G report .....	.....	x	x
Engineering report .....	.....	x	x
Production report .....	.....	x	x
Deep water cost report .....	.....	x	x
Fabricator's confirmation report .....	.....	x	x

Required reports	End-of-life lease	Deep water expansion project	Pre-act deep water lease
Post-production development report	x	x

(b) You must certify that all information in your application, fabricator's confirmation and post-production development reports is accurate, complete, and conforms to the most recent content and presentation guidelines available from the MMS GOM Regional Office.

(c) You must submit with your application and post-production development report an additional report prepared by a CPA that:

(1) Assesses the accuracy of the historical financial information in your report; and

(2) Certifies that the content and presentation of the financial data and information conforms to our most recent guidelines on royalty relief.

(d) You must identify the people in the CPA firm who prepared the reports referred to in paragraph (c) of this section and make them available to us to respond to questions about the historical financial information. We may also further review your records to support this information.

§203.82 What is MMS's authority to collect this information?

The Office of Management and Budget (OMB) approved the information collection requirements in part 203 under 44 U.S.C. 3501 *et seq.* and assigned OMB control number 1010-0071.

(a) We use the information to determine whether royalty relief will result in production that wouldn't otherwise occur. We rely largely on your information to make these determinations.

(1) Your application for royalty relief must contain enough information on finances, economics, reservoirs, G&G characteristics, production, and engineering estimates for us to determine whether:

(i) We should grant relief under the law, and

(ii) The requested relief will ultimately recover more resources and return a reasonable profit on project investments.

(2) Your fabricator confirmation and post-production development reports must contain enough information for us to verify that your application reasonably represented your plans.

(b) Applicants (respondents) are Federal OCS oil and gas lessees. Applications are required to obtain or retain a benefit. Therefore, if you apply for royalty relief, you must provide this information. We will protect information considered proprietary under applicable law and under regulations at §203.63(b) and part 250 of this chapter.

(c) The Paperwork Reduction Act of 1995 requires us to inform you that we may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

(d) You may send comments regarding any aspect of the collection of information under this part, including suggestions for reducing the burden, to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, NW., Washington, DC 20240; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Department of the Interior (1010-0071), Washington, DC 20503.

§203.83 What is in an administrative information report?

This report identifies the field or lease for which royalty relief is requested and must contain the following items:

(a) The field or lease name;

(b) The serial number of leases we have assigned to the field, names of the lease title holders of record, the lease operators, and whether any lease is part of a unit;

(c) Lessee's designation, the API number and location of each well that has been drilled on the field or lease or project (not required for non-oil and gas leases);